



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 31 May 2014

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CITY OF GREATER GERALDTON
Statement of Financial Activity for the Period Ended 31 May 2014

	Budget	YTD Budget	YTD Actual	Variances		
	Mid Year Review	Estimated		\$	%	
Operating Income						
Rates	37,737,560	37,704,903	37,720,725	(15,822)	0.0%	✓
Grants & Subsidies, Contributions	31,226,878	17,155,440	17,010,729	144,711	0.8%	✗
Fees & Charges	17,267,845	16,204,267	16,200,827	3,440	0.0%	✗
Interest Earnings	1,908,513	1,688,614	1,643,395	45,219	2.7%	✗
Other Revenue	1,241,808	1,143,590	1,120,894	22,696	2.0%	✗
Profit On Disposal Of Assets	578,807	388,441	372,893	15,548	4.0%	✗
Land Held for Resale - Proceeds of Sale	255,000			0		✗
	90,216,411	74,285,255	74,069,461	215,794	0.3%	✗
Operating Expenditure						
Employee Costs	(28,750,680)	(26,339,351)	(26,131,617)	(207,734)	0.8%	✓
Materials & Contractors	(21,979,716)	(17,641,321)	(17,139,027)	(502,294)	2.8%	✓
Utility & Govt Charges	(3,170,469)	(2,639,370)	(2,631,322)	(8,048)	0.3%	✓
Insurance	(963,098)	(928,259)	(922,827)	(5,432)	0.6%	✓
Interest/Borrowing Costs	(799,975)	(586,341)	(458,241)	(128,100)	21.8%	✓
Other Expenditure	(2,126,932)	(708,357)	(719,953)	11,596	-1.6%	✗
Land Held for Resale	(7,900,000)	(7,900,000)	(5,270,250)	(2,629,750)	33.3%	✓
Depreciation On Assets	(18,018,822)	(16,516,662)	(16,485,454)	(31,208)	0.2%	✓
Loss On Disposal Of Assets	(222,215)	(154,731)	(146,236)	(8,495)	5.5%	✓
	(83,931,907)	(73,414,392)	(69,904,928)	(3,509,464)	4.8%	✓
NET OPERATING	6,284,504	870,863	4,164,533	(3,293,670)	-378.2%	✓
Non-Cash Expenditure and Revenue						
(Profit) / Loss on Asset Disposals	(356,592)	(233,710)	(226,656)	(7,054)	3.0%	✓
Depreciation on Assets	18,018,822	16,516,662	16,485,454	31,208	0.2%	✗
	17,662,230	16,282,952	16,258,798	24,154	0.1%	✗
Capital Expenditure						
Purchase Buildings	(11,669,184)	(9,496,307)	(5,771,124)	(3,725,183)	39.2%	✓
Purchase Plant and Equipment	(2,609,455)	(2,573,121)	(1,310,133)	(1,262,988)	49.1%	✓
Purchase Furniture and Equipment	(754,669)	(587,173)	(167,517)	(419,656)	71.5%	✓
Purchase Infrastructure Assets - Roads	(44,804,945)	(25,223,000)	(19,625,888)	(5,597,112)	22.2%	✓
Purchase Infrastructure Assets - Parks	(6,368,218)	(5,097,275)	(3,545,455)	(1,551,820)	30.4%	✓
Repayment of Debentures	(2,919,051)	(2,553,949)	(2,503,459)	(50,490)	2.0%	✓
Self Supporting / Council Loans paid out	0	0	0	0		✗
	(69,125,522)	(45,530,825)	(32,923,576)	(12,607,249)	27.7%	✓
Capital Revenue						
Proceeds from Disposal of Assets	1,885,000	391,891	390,795	1,096	0.3%	✗
Proceeds from New Debentures	16,630,000	7,980,000	7,980,000	0	0.0%	✗
Self-Supporting Loan Principal Income	92,124	84,458	80,190	4,268	5.1%	✗
Council Loan Principal Income	12,239	10,495	17,609	(7,114)		✓
	18,619,363	8,466,844	8,468,594	(1,750)	0.0%	✓
Reserves						
Transfers to Reserves	(448,000)	(435,663)	0	(435,663)	100.0%	✓
Transfers from Reserves	27,835,790	12,013,180	12,013,180	0	0.0%	✗
	27,387,790	11,577,517	12,013,180	(435,663)	-3.8%	✓
Current Funding Surplus (Deficit)	828,365	(8,332,649)	7,981,529			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a positive variance of \$215,794 or 0.3%. There are no major variances to report.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 3,509,464 or 4.8% due to the following:

Employee Costs - The positive variance is \$207,734 or 0.8%. The budget estimate aligns closely with the expected EOY outcome.

Materials & Contractors – The positive variance of \$ 502,294 or 2.8% is in line with anticipated expenditure for the remainder of the financial year.

Interest/Borrowing Costs – The positive variances of \$128,100 or 21.8% is due to a lower interest cost than budgeted because new loans were either taken up later than scheduled or rescheduled to the following financial year.

Land Held for Resale - The positive variance of \$ 2,629,750 or 33.3% is associated with environmental issues affecting the development of Olive Street and the budgeted for but not yet developed site at Kempton Street.

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$12,607,249 or 27.7% due to the following:

Purchase of Buildings – The positive variance of \$ 3,725,183 or 39.2% is associated with the timing and profiling of the buildings projects.

Major outstanding commitments:

- Art Gallery (refurbishment) \$ 852,036
- Grandstand \$ 233,719
- Railway Station \$ 1,490,798
- Airport \$ 1,300,000 (approximately)

Purchase of Plant and Equipment – The positive variance of \$1,310,133 or 49.1% is associated with a later than budgeted replacement of plant and equipment. Outstanding commitments YTD are valued at \$ 562,083.

Purchase of Furniture and Equipment – The positive variance of \$419,656 or 71.5% is associated with a less than usual replacement of furniture and equipment.

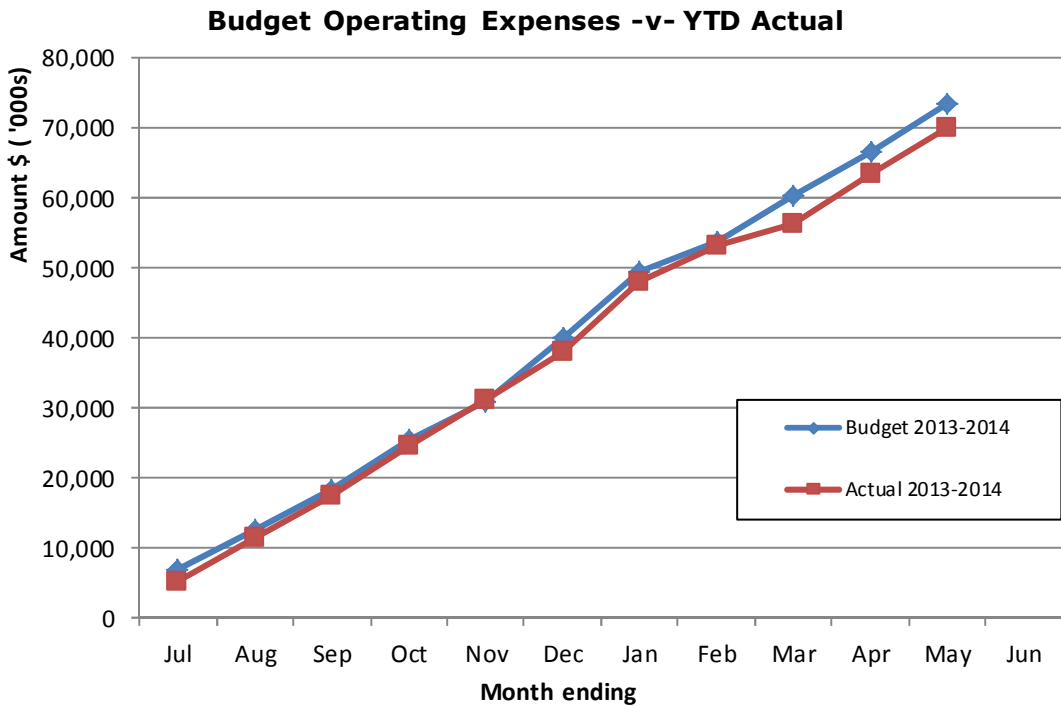
Purchase Infrastructure Assets (Roads and Parks) – The positive variance of \$7,148,932 is in line with anticipated expenditure and budget carry overs (Aqua Geothermal, Chapman Road Foreshore). Total infrastructure commitment at the end of May is \$ 5,960,196 (mainly related to Verita Road project).

Capital Revenue

Capital revenue is showing a positive variance of \$1,750 with no significant variances.

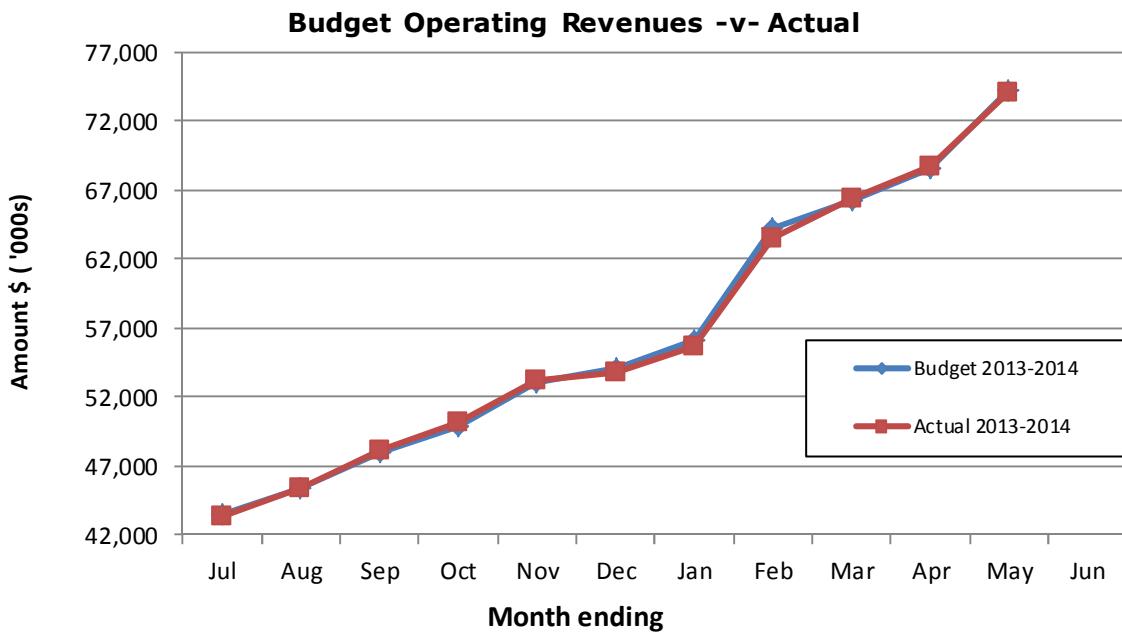
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st May 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Operating Expenses

Operating expenditure recorded as at 31 May is \$69,904,928. Major variances in employee costs, materials & contractors, interest and land held for resale.

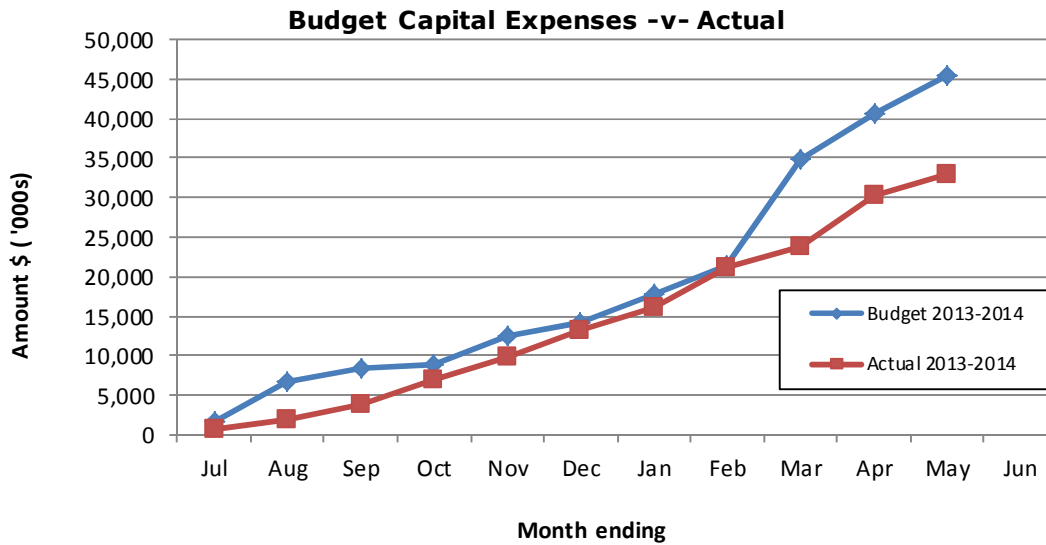


Comments/Notes - Operating Revenues

Operating income recorded as at 31 May is \$74,069,461. There are no major variances..

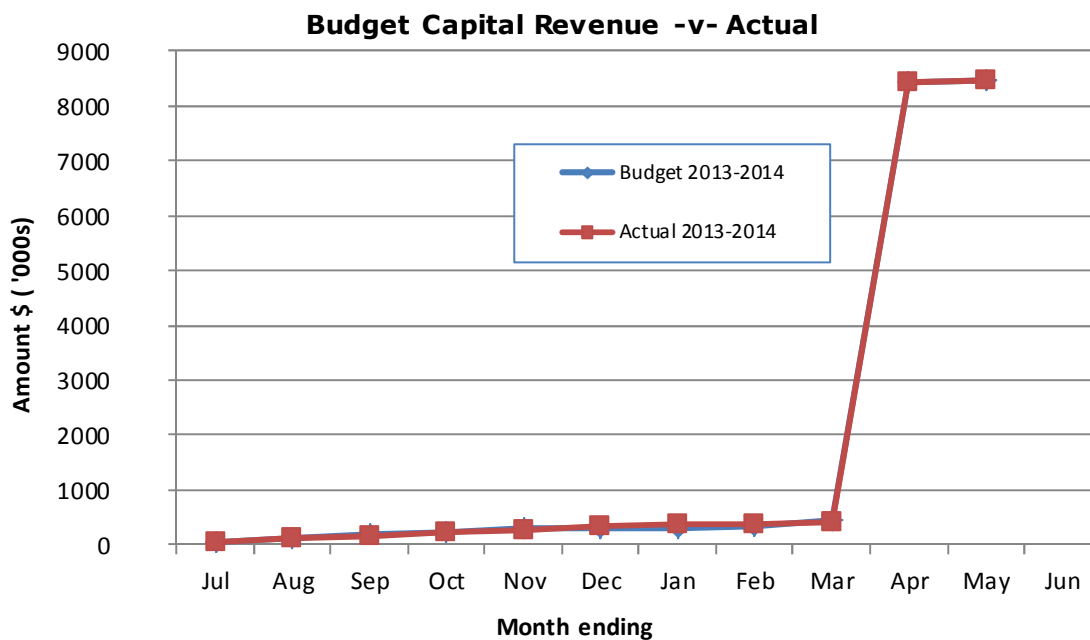
City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st May 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses

Capital expenditure recorded as at 31 May is \$32,923,576. Major variances include Purchase Buildings, Plant & Equipment, Furniture & Equipment, Roads and Parks.



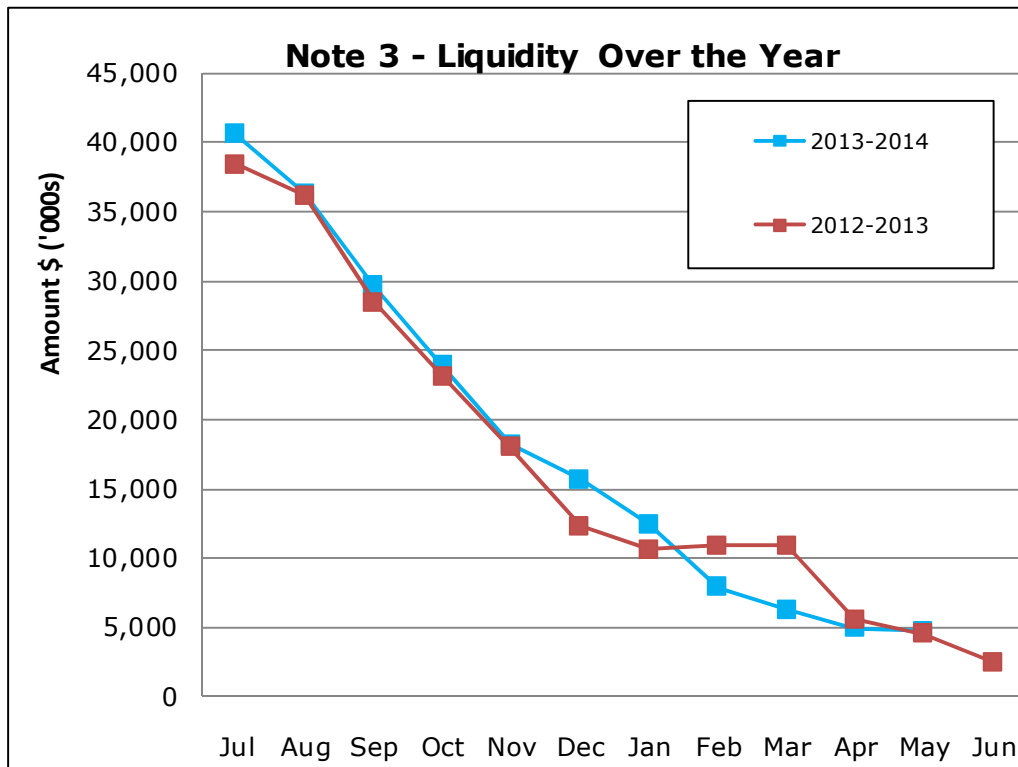
Comments/Notes - Capital Revenues

Capital revenue recorded as at 31 May is \$8,468,594. There are no major variances.

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st May 2014

Note 3: NET CURRENT FUNDING POSITION

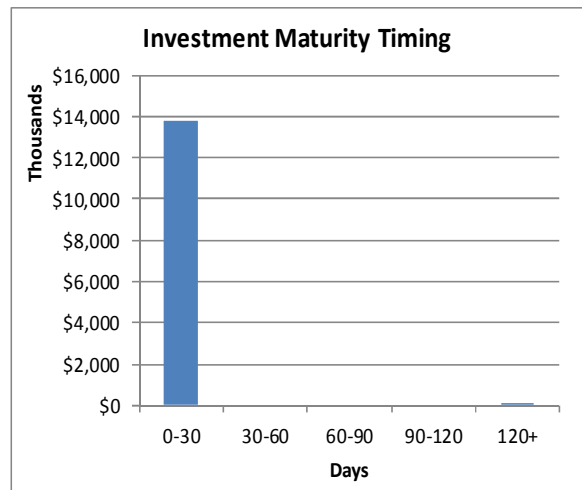
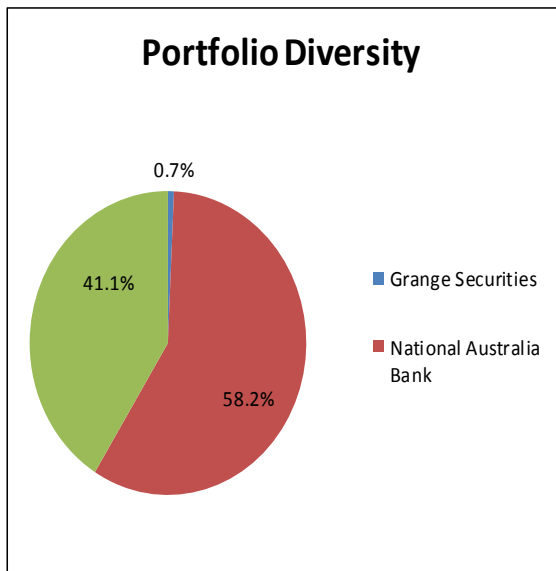
	Positive=Surplus (Negative=Deficit)		
	2013-2014		2012-2013
	This Period	Last Period	This Period
	\$	\$	\$
Current Assets			
Cash at Bank			
Municipal Account	1,447,434	3,920,540	4,804,055
Reserve Account	18,803,310	18,803,310	24,413,956
Restricted Assets	333,395	333,395	833,633
Total Cash at Bank	20,584,139	23,057,245	30,051,644
Receivables			
Prepayments	124,180	120,220	90,933
Tax Recoverable	0	862,940	24,503
Sundry Debtors	5,767,180	2,419,217	2,083,423
Rates Receivable	2,620,031	2,914,849	2,098,421
Inventories	328,442	313,874	326,825
Total Current Assets	29,423,972	29,688,345	34,675,749
Less: Current Liabilities			
Creditors and Provisions	2,317,758	832,206	1,262,393
Current Borrowings	1,309,329	407,736	549,532
Employee Entitlements	4,353,657	4,353,657	3,931,797
	7,980,744	5,593,600	5,743,722
Less: Cash Restricted	(16,736,705)	(19,136,705)	(24,413,956)
Net Current Funding Position	4,706,523	4,958,040	4,518,072



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st of May 2014

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @31/05/2014	Percentage of Portfolio
Grange Securities							
Parkes AAA	D	20/6/2015	5.01%	250,000		97,500	
Scarborough AA Ac 21	N/R			500,000	-	-	
Subtotal				750,000	-	97,500	0.7%
** 26th February 2013 received \$ 480,960 re Merimbula Dante notes FV \$ 500,000.							
** 21st March 2013 received \$348,658 re Helium Capital - Esperance notes FV \$500,000.							
** 20th March 2014 received \$639,811 re Corsair JP Morgan - Kakadu notes FV \$700,000.							
National Australia Bank							
Reserve169	A1+	23/6/2014	3.70%	319,001	3,212	322,213	
Reserve176	A1+	23/6/2014	3.70%	3,000,000	62,419	3,062,419	
Reserve 179	A1+	23/6/2014	3.70%	4,700,000		4,700,000	
Subtotal				8,019,001	65,631	8,084,632	58.2%
Elders Rural Bank							
Reserve173	A2	23/6/2014	3.70%	603,393	6,029	609,422	
Reserve175	A2	23/6/2014	3.75%	5,031,252	78,004	5,109,256	
Subtotal				5,634,645	84,033	5,718,678	41.1%
Total Funds Invested				14,403,646	149,664	13,900,810	100%



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st May 2014

Note 5 : RECEIVABLES

Receivables - Rates and Rubbish

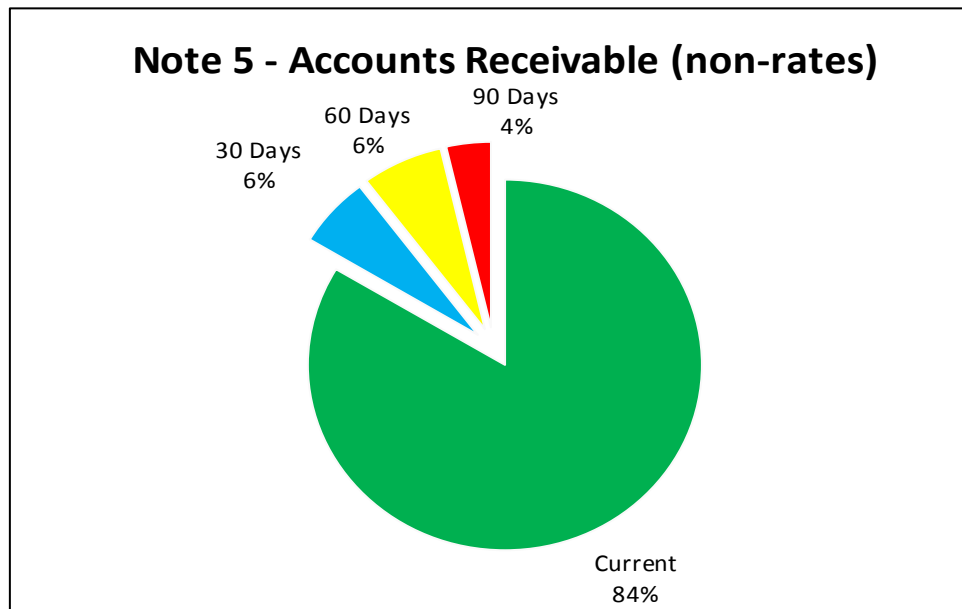
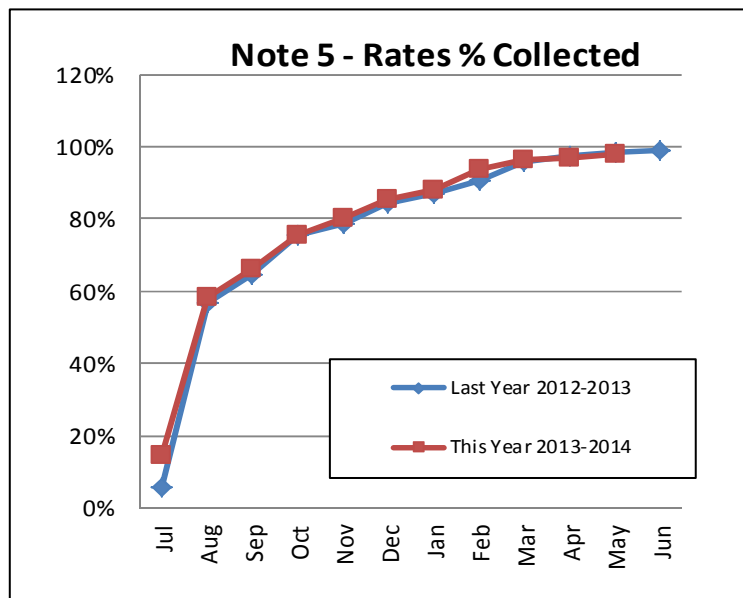
	Current 2013-2014
	\$
Opening Arrears Previous Years	(1,742,000)
Rates Levied this year	(42,903,742)
Less Collections to date	(42,026,198)
Equals Current Outstanding	(2,619,543)
<i>Comprises of Current Amt:</i>	<i>(2,349,302)</i>
<i>Deferred Amt:</i>	<i>(270,242)</i>

Net Rates Collectable

% Collected	97.95%
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Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	4,829,349	353,477	381,934	210,183
Total Outstanding				<u>5,774,943</u>
General	4,815,792	83%		
Airport	707,394	12%		
Meru	251,757	4%		
	<u>5,774,943</u>	<u>100%</u>		



Comments/Notes - Receivables Rates and Rubbish

Rates collections are 97.95% of total rates billed in May post 4th instalment.

Comments/Notes - Receivables General

- Major debtors in May include: Dept of Regional Development \$3,850,000, Virgin Australia \$450,615, Mt Gibson \$220,000, and Qantaslink \$176,141
 - 90 days and over: Point Moore Leases \$98,384.